

**Metropolitan Council Housing and Redevelopment
Authority
(Metro HRA)**

**Section 8 Project-Based Voucher
Rental Assistance**

Program Guide

**Metropolitan Council Housing and Redevelopment Authority
(Metro HRA)
Section 8 Project-Based Voucher Rental Assistance
Program Overview**

The Metro HRA (PHA) offers the availability of federal rent subsidy under its Section 8 Project-Based Voucher (PBV) Program. The PBV program is a HUD Section 8 housing subsidy program that ties rental assistance directly to a specific unit or project. Eligible families receive rental assistance by agreeing to live in existing, newly constructed or rehabilitated units and continue to receive assistance as long as they reside in the specific project based dwelling unit. Metro HRA administers the PBV in Anoka, Ramsey, Hennepin, Carver and Washington Counties, excluding the cities of St. Paul, Minneapolis, St. Louis Park, Plymouth, Richfield and Bloomington.

Almost any type of newly constructed or existing structure may be used for PBV. Up to 25 percent of the units in a project (4+ units) can be assisted under the PBV program, except for projects for elderly or disabled households which can be up to 100% PBV assisted. Owners must be willing to enter into a *Housing Assistance Payments (HAP) Contract* with the PHA for not less than one year and no more than fifteen years.

All vacancies in units that have been project-based must be filled by eligible families currently on the PHA Section 8 waiting list. If the PHA does not refer a sufficient number of interested applicants on its waiting list to the owner within 30 days of the owner's notification to the PHA of a vacancy, the owner may advertise for or solicit applications from eligible very low-income families. The owner must refer these families to the PHA to determine eligibility.

Financing for the construction or rehabilitation of units to be project-based must be obtained independently by the owner.

Inquiries may be directed to Terri Smith, Metro HRA Manager, 651-602-1187 or via e-mail at terri.smith@metc.state.mn.us.

**METROPOLITAN COUNCIL HOUSING AND REDEVELOPMENT AUTHORITY
(METRO HRA)
SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE
Project Criteria**

Eligible Projects

Almost any type of newly constructed, rehabilitated or existing structures, including single-family housing and multifamily structures may be used for PBV. Units must meet Housing Quality Standards as specified in 24 CFR Section 982.401. Both new construction and rehabilitation sites must meet site and neighborhood standards as specified in 24 CFR Section 983.57.

Vacancies

All vacancies in units that have been project-based must be filled by eligible families currently on the PHA waiting list. If the PHA does not refer a sufficient number of interested applicants on the PHA waiting list to the owner within 30 days of the owner's notification to the PHA of a vacancy, the owner may advertise for or solicit applications from eligible very low-income families, or if authorized by the PHA in accordance with HUD requirements, low-income families. The owner must refer these families to the PHA to determine eligibility.

Application Process

The PHA will advertise the availability of units through the PBV program in conjunction and concurrent with the Minnesota Housing's annual Request for Proposal (common application) process, scheduled for release April 25, 2011. You can obtain more information by checking the Minnesota Housing web site at <http://www.mnhousing.gov>. Applications are due to Minnesota Housing no later than 5:00 p.m. on June 14, 2011.

Minnesota Housing's annual RFP process eliminates duplication and simplifies the financial packaging process for funding offered through Minnesota Housing and its collaborating partners. A common application is used for multifamily housing projects seeking more than one funding source. Minnesota Housing lists the proposal submission, rating, and ranking information on its electronic website. The Minnesota Housing website will list the number of units the PHA estimates it will be able to assist under the current RFP funding cycle. In order for the proposal to be considered, the owner must submit the proposal to Minnesota Housing by the published deadline date, and the proposal must respond to all requirements as outline in the RFP. Incomplete proposals will not be reviewed.

Selection Criteria

Proposals submitted through the Minnesota Housing Annual RFP process will first be reviewed and ranked for funding being made available by Minnesota Housing and its collaborating partners irrespective of the project receiving PBV funding. Proposals ranked high enough to receive other requested funding needed to ensure the proposals financial viability will be rated and ranked by the PHA in accordance with the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;
- To increase the supply and availability of affordable housing for very low and extremely low-income households in the metro area;
- To contribute to the upgrading and long-term viability of metro area housing stock;
- To integrate housing and tenant services such as education, job training and day care the encourage self sufficiency;
- To promote the provision of services for special needs tenants needing support services;
- To encourage economic integration in housing development;
- To the extent possible, encourage the development of housing for larger families needing 3 or more bedrooms;
- To promote cooperative partnerships that link support services with affordable housing;
- Extent to which the proposed project promotes linkages among housing, jobs and transportation and/or promotes higher-density development along selected transportation corridors; and
- Extent of community support for the proposed housing.

Financing

Financing for the construction or rehabilitation must be obtained independently by the owner. There may be funding opportunities available from sources through the Minnesota Housing SuperRFP process.

Other Requirements for Rehabilitation and New Construction Projects

All proposals must meet final approval before construction or rehabilitation may begin. In addition, the owner must also sign the Agreement to Enter into a Housing Assistance Payments Contract, prior to the start of construction or rehabilitation. After such work is completed, owners must be willing to enter into a Housing Assistance Payments (HAP) Contract with the PHA for a minimum term of one year to a maximum of fifteen years.

For new construction projects, proposals should include detailed site and floor plans. For acquisition and/or rehabilitation projects, proposals should include detailed information related to tenant displacement and relocation assistance.

Eligible and Ineligible Properties

The PHA cannot select units that do not meet basic program requirements. HUD development regulations specify ineligible units for the PBV Program. Applications for ineligible units will be disapproved and not ranked or selected.

- (a) Subpart H of Section 982 of this chapter of federal regulations does not apply. Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under this part 983, including single-family housing and multifamily structures.
- (b) A PHA may not attach assistance under this part 983 to units in the following types of housing:
 - (1) Housing for which the construction is started before Agreement execution;
 - (2) Housing for which the rehabilitation is started before Agreement execution;
 - (3) Shared housing; nursing homes; and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
 - (4) Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
 - (5) College or other school dormitories;
 - (6) A manufactured home;
 - (7) Cooperative housing; or
 - (8) Transitional housing.
- (c) A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:
 - (1) Public housing;
 - (2) A unit subsidized by any other form of Section 8 assistance (tenant based or project based);
 - (3) A unit subsidized with any governmental rent subsidy;
 - (4) A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
 - (5) A unit subsidized with Section 236 rental assistance payments, however, assistance can be provided to a unit subsidized with Section 236 interest reductions payments;
 - (6) A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949;
 - (7) A project with a Section 202 loan;
 - (8) A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
 - (9) Section 202 supportive housing for the elderly;
 - (10) Section 811 supportive housing for persons with disabilities;
 - (11) A Section 101 rent supplement project;
 - (12) A unit subsidized with tenant-based assistance under the HOME program; or
 - (13) Any unit with any other duplicative Federal State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a federal, state, or local tax concession.
- (d) Assistance may not be attached to a unit that is occupied by an owner.
- (e) HA-owned unit means a unit (other than public housing) that is owned by the PHA which administers the assistance under this part 983 pursuant to an ACC between HUD and the PHA (including a unit owned by an entity substantially controlled by the PHA).

- (1) A PHA-owned unit may only be assisted under the project-based voucher program if:
 - (i) The PHA-owned unit is not ineligible housing under this section.
 - (ii) The selection of PHA owned units was done in accordance with 983.51.
 - (iii) The HUD field office has approved an independent entity that determines reasonable rents both for initial and annual rent determinations and conducts inspections on the PHA owned units.
- (2) As owner of a PHA-owned unit, the PHA is subject to all of the same program requirements that apply to other owners in the program.
- (3) HUD may pay a lower administrative fee for PHA owned units.
- (4) PHA-owned units are subject to the same requirements as units that are not HA-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with proposals that are accessible to the elderly/handicapped and/or which provide amenities or services for special needs tenants; and proposals for projects to be located in areas with little or no subsidized housing.

Other Federal Requirements

- (a) Participation in the PBV program requires compliance with all Equal Opportunity requirements (as specified in federal regulation 982.53) imposed by contract or federal law, including applicable requirements under:
 - (1) The Fair Housing Act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, et seq.);
 - (2) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR par 1);
 - (3) The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146);
 - (4) Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892, 59 FR 2939 (1994) (implementing regulations at 24 CFR part 107);
 - (5) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8); and
 - (6) Title II of the American with Disabilities Act, 42 U.S.C. 12101, et seq.
- (b) For the application of equal opportunity requirements at an Indian Housing Authority, see 24 CFR 950.115.
- (c) The HA must submit a signed certification to HUD of the HA's intention to comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act.

Subsidy Layering Review

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The PHA must submit the necessary documentation to HUD or the allocating agency for a subsidy layering review. The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

Environmental Requirements

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The responsible entity is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.